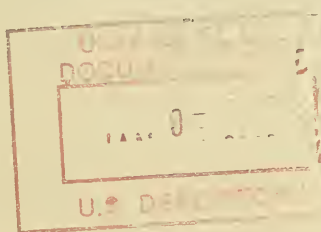


NATIONAL RECOVERY ADMINISTRATION

AMENDMENT TO
CODE OF FAIR COMPETITION
FOR THE
MOTOR VEHICLE RETAILING
TRADE

AS APPROVED ON DECEMBER 8, 1934



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AMENDMENT TO CODE OF FAIR COMPETITION

FOR THE

MOTOR VEHICLE RETAILING TRADE

As Approved on December 8, 1934

ORDER

APPROVING AMENDMENT OF CODE OF FAIR COMPETITION FOR THE
MOTOR VEHICLE RETAILING TRADE

An application having been duly made pursuant to and in full compliance with the provisions of Title I of the National Industrial Recovery Act, approved June 16, 1933, for approval of an amendment to the Code of Fair Competition for the Motor Vehicle Retailing Trade, and hearings having been duly held thereon and the annexed report on said amendment, containing findings with respect thereto, having been made and directed to the President:

NOW, THEREFORE, on behalf of the President of the United States, the National Industrial Recovery Board, pursuant to authority vested in it by Executive Orders of the President, including Executive Order No. 6859, dated September 27, 1934, and otherwise, does hereby incorporate, by reference, said annexed report and does find that said amendment and the Code as constituted after being amended comply in all respects with the pertinent provisions and will promote the policy and purposes of said Title of said Act, and does hereby order that said amendment of said Code be and it is hereby approved, and that the previous approval of said Code is hereby amended to include an approval of said Code in its entirety as amended; and further, that the State Advisory Committee in any of the several Code States established as provided in Article V, Title A of the Code is hereby designated as the Agency to determine the acceptability of the credit rating of any person ordering a motor vehicle wherein the provisions of Title A, Paragraph 4, Subparagraph d (ii) of Article IV, of said Amendment becomes operative, any such determination to be subject to the disapproval of the National Industrial Recovery Board.

NATIONAL INDUSTRIAL RECOVERY BOARD,
By W. A. HARRIMAN, *Administrative Officer*.

Approval recommended:

BARTON W. MURRAY,
Division Administrator.

WASHINGTON, D. C.,
December 8, 1934.

REPORT TO THE PRESIDENT

The PRESIDENT,

The White House.

SIR: An application has been duly made pursuant to and in full compliance with the provisions of the National Industrial Recovery Act, for an amendment to the Code of Fair Competition for the Motor Vehicle Retailing Trade, submitted by the National Control Committee on behalf of the Emergency National Committee.

The purpose and effect of the amendment are to permit the making of contracts, or the submission of bids, upon the basis of a used car allowance current at the date of the contract or bid and the completion of such contract or bid in a subsequent Guide Book period, even though the subsequent Guide Book may change the maximum permissible allowance; such contracts to be entered into for future delivery only when the dealer, for reasons beyond his control, is unable to make earlier delivery to the customer. One of the conditions of the contract shall be that delivery shall be accepted by the purchaser as soon as the dealer is in a position to make delivery.

FINDINGS

The Deputy Administrator in his final report to us on said amendment to said Code having found as herein set forth and on the basis of all the proceedings in this matter:

We find that:

(a) The amendment to said Code and the Code as amended are well designed to promote the policies and purposes of Title I of the National Industrial Recovery Act including the removal of obstructions to the free flow of inter-state and foreign commerce which tend to diminish the amount thereof, and will provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among trade groups, by inducing and maintaining united action of labor and management under adequate governmental sanction and supervision, by eliminating unfair competitive practices, by promoting the fullest possible utilization of the present productive capacity of industries, by avoiding undue restrictions of production (except as may be temporarily required), by increasing the consumption of industrial and agricultural products through increasing purchasing power, by reducing and relieving unemployment, by improving standards of labor, and by otherwise rehabilitating industry.

(b) The Code as amended complies in all respects with the pertinent provisions of said Title of said Act, including without limitation Subsection (a) of Section 3, Subsection (a) of Section 7 and Subsection (b) of Section 10 thereof.

(c) The Code empowers the Code Authority to present the aforesaid amendment on behalf of the industry as a whole.

(d) The amendment and the Code as amended are not designed to and will not permit monopolies or monopolistic practices.

(e) The amendment and the Code as amended are not designed to and will not eliminate or oppress small enterprises and will not operate to discriminate against them.

(f) Those engaged in other steps of the economic process have not been deprived of the right to be heard prior to approval of said amendment.

For these reasons, therefore, this amendment has been approved.

For the National Industrial Recovery Board:

W. A. HARRIMAN,
Administrative Officer.

DECEMBER 8, 1934.

AMENDMENT TO CODE OF FAIR COMPETITION FOR THE MOTOR VEHICLE RETAILING TRADE


Include in and add to Article IV, Title A, Paragraph 4, the following to be known as subparagraph (d) :

(d) The allowance on a used motor vehicle, taken in trade as part payment on the purchase of another motor vehicle, shall not be in excess of the maximum permissible allowance as determined by the Association Official Guide current as of the date title and possession of the used motor vehicle passes to the dealer, except as follows:

(i) When a definite bonafide order is placed by a person for his or its own requirements with a cash deposit of at least five per cent of the factory list price of the new car or with proof of good credit rating, for a car which the dealer is unable for reasons over which he has no control to make immediate delivery, the dealer may enter into a firm contract to make an allowance not in excess of the maximum permissible allowance as determined by the Association Official Guide current at the date of the order and such contract may be kept in force during the period of the Association Guide Book immediately subsequent to that current at the date of said order, notwithstanding any change in the maximum permissible allowance which may be made by such subsequent Association Official Guide; provided, however, that such contract shall provide that the buyer must accept delivery immediately upon delivery being offered and the dealer must offer to make delivery immediately upon the new motor vehicle being available for delivery; provided further, that said contract shall further provide that same shall not be transferable and all orders or contracts accepted in accordance with this provision shall immediately be filed by the dealer with the State Advisory Committee.

(ii) When written bids are called for by any Governmental agency or by any person having a good credit rating and are not awarded until the next succeeding issue of the Association Official Guide has become current, any dealer who has offered as part of such bid to accept a used car at an allowance not exceeding the maximum permissible allowance as determined by the Association Official Guide Book current as of the date of the bid, may carry out the terms of the bid notwithstanding any change in the maximum permissible allowance as determined by the Association Official Guide Book immediately succeeding the Guide current at the date of the bid.

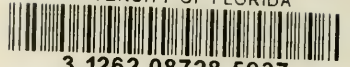
Any dealer attempting to use allowances pursuant to previous Association Official Guide at a time when subsequent Association Official Guide is current, except under the terms and conditions of this sub-paragraph (d) shall be deemed guilty of a Code violation.



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